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UNCLASSIFIED  
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EKME #: 3942195

To: Catherine Blewett  
Pour:

Date:

Object: **DFO / COAST GUARD CLASSIFICATION RENEWAL STRATEGY**  
Objet:

From / Tom Balfour, Director General, Human Resources  
De:

Via: Dominic Laporte, Assistant Deputy Minister, Human Resources and Corporate Services

Additional approvals:  
Autre(s) approbation(s):



Material for the Minister  
Documents pour le Ministre



Your Signature  
Votre signature



Information

Remarks: This briefing note was developed in consultation with the following:  
Remarques: OCHRO/Treasury Board Secretariat

Distribution:

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Fisheries and Oceans  
Canada

Pêches et Océans  
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Assistant Deputy Minister

Sous-ministre adjoint

Human Resources &  
Corporate Services

Ressources humaines et  
Services intégrés

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MEMORANDUM FOR THE DEPUTY MINISTER

**DFO / COAST GUARD CLASSIFICATION RENEWAL STRATEGY  
(FOR DECISION)**

**SUMMARY OF ADVICE TO DEPUTY MINISTER**

The purpose of the note is to seek your approval in principle for the departmental Classification Renewal Strategy and to initiate a Pilot project as a proof of concept over the coming months.

Human Resources has prepared a Classification Renewal Strategy premised on two projects aimed at strengthening the classification health of the Department. The first project involved correcting reporting relationships of all employees in PeopleSoft. This project will be piloted with two groups within the Canadian Coast Guard and a Directorate in Fisheries and Oceans Canada. The Pilot will correct double-banking situations in these sectors with the use of expedited classification, which may include the use of deputy delegated decisions in certain instances. The Office of the Chief Human Resources Officer (OCHRO) has been consulted and agrees with the proposed corrective action plan.

Upon your approval, the Pilot will run from December 2018 to March 2019 and is expected to resolve approximately 200-300 positions. Human Resources will provide you with the results of the Pilot prior to creating the positions and proposing to roll-out across the organization.

**BACKGROUND**

Over the past 12 years, the Department was subject to a number of reduction and growth initiatives that affected the organizational design and classification of its positions. In order to respond to these initiatives, the organization over-leveraged the use of double-banking (more than one employee in a specified position) and position-loaning (e.g. using a position from another

group, sector or region) such that approximately 40% of its workforce is double-banked in positions. Further, the organization also has 500 previous deputy-delegated positions that were created to support the Oceans Protection Plan and 89% of the Department's positions have not been reviewed in the past five years as per the Directive on Classification. Overall, the Department needs to review over 90% of its positions to ensure they are appropriately classified.

To address the existing classification, financial and staffing risks, HR has developed a Strategy (**TAB 1**) that aims to strengthen the Department's classification function, places organizational re-design as a priority, emphasizes functional authority and leverages the creation of deputy-delegated positions as both a corrective and interim strategy as we right-size the organization.

The Classification Renewal Strategy is predicated on strengthening the classification function over the course of the coming years while incorporating corrective measures and interim flexibility while the organization is being re-designed. The Strategy includes a proof of concept approach that tests the approach on a subset of the organization (i.e. Indigenous Affairs and two groups within Coast Guard – Ops Personnel and Marine Superintendents) prior to the full implementation.

The Pilot will involve resolving all double-banking and position loaning in three sectors by providing expedited position creation using existing models, duplicating existing work descriptions and, in certain instances, creating deputy-delegated positions. Human Resources will put in place practices to limit the creation of deputy delegated positions and provide employees with valid work descriptions where possible. It is expected that the Pilot will occur from December 2018 to March 2019.

### **STRATEGIC CONSIDERATIONS**

Initial analysis for the Pilot, indicates that a maximum of 58 deputy delegated positions and 22 changes in reporting relationships would be required for two of the three organizations of about 160 employees (~35%). This number is expected to decrease as classification identifies other alternatives to Deputy delegated creations. These figures exclude the Marine Superintendent's organization where the preliminary analysis is still be completed.

The resolution of double-banking and position-loaning will directly address the issues that were raised in a previous Privacy Breach. Management will create a substantial amount of new positions and will need to inform employees of their new position number through the use of an administrative letter prepared by HR. Employee duties will remain the same with the only change being that they will be placed into a new position that reports to their actual supervisor.

Once completed, these sectors will no longer have access to double-banking (outside of established parameters) and will have access to other expedited classification alternatives, which may include creating some additional deputy-delegated positions in certain instances.

Should the Pilot and Strategy be endorsed, HR will consult with bargaining agents and develop a robust communications strategy. The Pilot and the first phase of the Strategy is expected to be well-received by all as we do not envision negative impacts at this stage of the initiative. More consultation and engagement will be needed during the later stages of the classification renewal

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(fiscal year 2019-20 and beyond) as we endeavour to appropriately re-design and classify the Department.

### **INTERDEPARTMENTAL CONSULTATIONS**

The OCHRO has been consulted and endorses our proposed strategy given our current organizational context and classification health. Based on the circumstances, they find the proposed strategy to be a prudent approach to address issues related to staffing and classification while balancing the need to support the organization in delivering its mandate. To their knowledge, they are not aware of another department having successfully addressed classification issues of this proportion and appreciate the engagement of the Department as we embark on our Strategy.

### **EXTERNAL CONSULTATIONS**

This is an internal process to the Department and consultations with provinces, industry and other external stakeholders are not relevant for this initiative.

### **ADVICE AND RECOMMENDATIONS TO DEPUTY MINISTER**

It is recommended that you approve in principle the proposed Classification Renewal Strategy and allow HR to implement the approach within three sectors. During the Pilot you will be prompted to use your delegation to create some deputy-delegated positions. HR will work with your office on these as required to ensure you are properly prepared.

Upon conclusion of the Pilot, lessons learned will be shared and a decision to continue with implementation will be sought.

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Dominic Laporte  
Assistant Deputy Minister  
Human Resources and Corporate Services

- ☐ I concur with the recommendations
- ☐ I do not concur with the recommendations

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Catherine Blewett  
Deputy Minister

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Kevin Stringer  
Associate Deputy Minister

**Attachments:**

- (1) Classification Renewal Strategy**
- (2) Classification Renewal Pilot Breakdown by Sector**



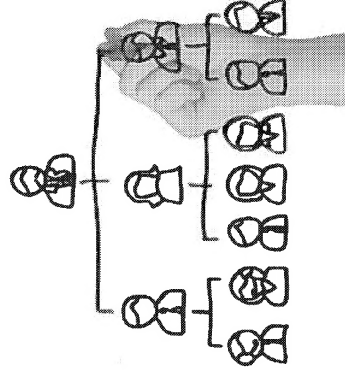
## Human Resources and Corporate Services

### Classification Renewal

@ DFO / Coast Guard

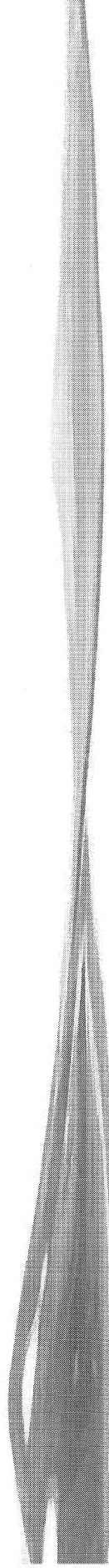
#### An Action Plan

that prioritizes Organizational Re-Design



Canada

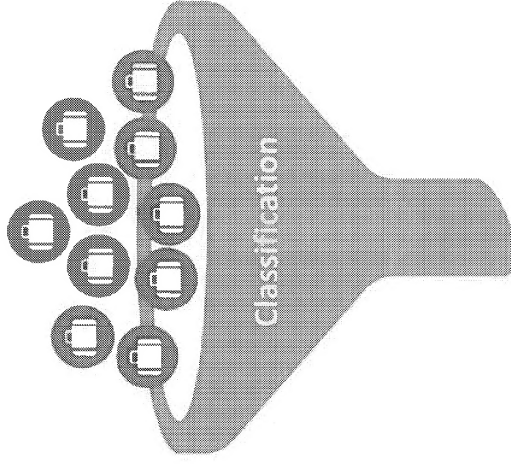
## Background and Context



Classification Renewal 2  
@ DFO / Coast Guard

## The Value of Organizational Design and Classification in All Organizations

Jobs



Objective 1 : Equal pay for equal work



Objective 2 : Organizational structures are maximized to attain results



Organizational design and classification expertise is a commodity.

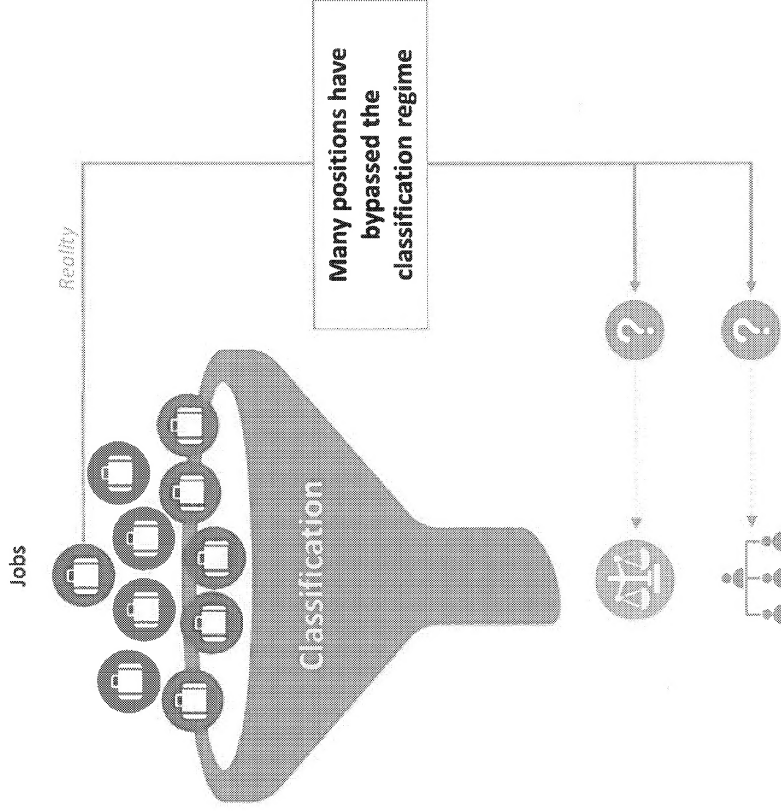
- Organizational design and classification is complex with full accreditation taking approximately 3 years.
- Scarce accredited classification resources across the CPA, limits the capacity to deliver services and comply with TBS requirements.

Organizational design and classification is a partnership between management and HR.

- Successful organizations engage HR early and often in the design and re-design process.
- In turn, classification must be nimble enough to respond to the business need while maintaining the integrity of the classification system.

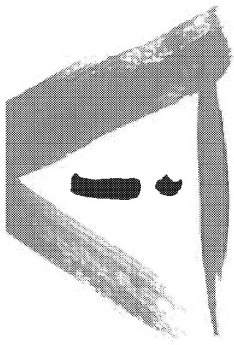


## The Health of Organizational Design and Classification @ DFO / Coast Guard



Over the past 10 years, the organization has undergone a considerable amount of change (reduction and investment).

- 4000+ or 40% of the workforce is double-banked in a position (comparator departments at 1-6%).
- Loaning positions is common practice as well.
- 500 deputy-delegated positions without job descriptions.
- 89% of positions have not been reviewed in the past 5 years (compared to 54% in the CPA).
- Tendency to use unique job descriptions whereas TBS's new Policy calls for standardized job descriptions.
- Non-implementation of disputed classification decisions.



## Risks to the Organization

### Financial Stewardship



- There is a risk that the organization may be inappropriately compensating for work performed causing financial stewardship and workforce issues.
- There is a risk that organizational structures are not maximized to attain results.
- There is a risk that our positions are skewing interdepartmental relativity.
- There is a risk that increased resources will be needed to manage complaints and grievances.

### People Management



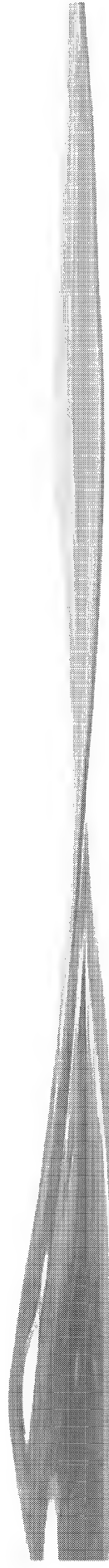
- Employees are not paid the same as others doing similar work.
- Employees may have a job description that is not reflective of duties assigned or used out of context (position loaning).
- Employees do not have job descriptions whereas others may be outdated.
- Employees may not understand they are double-banked and its implications.
- Employees may experience instances of privacy breaches.
- We may lose top talent given our structures are not optimized or groups/levels are not consistent.
- Managers do not have an updated organization chart.



### Staffing Transparency

- Job posting may not be transparent or align to classified jobs.

# Strategy Overview



Issue: 1 in 5 employees are double-banked or loaned into a position

## Classification Renewal Strategy

The Strategy involves a 2 projects:

### 1. Correcting Reporting Relationships in PeopleSoft (Project Duration: 5-6 months)

#### THE PLAN

Create a new /change position for all double-banked / loaned positions



"Everyone gets a box"

Create a box for all those that are double-banked by:

- **Leveraging existing models** where possible;
- **Leveraging standardized job descriptions** where possible;
- **As a last resort, create deputy delegated positions**

Elimination of "Loaning" and/or "Double-Banking"



#### HOW?



- Management confirms actual reporting relationships.
- Administrative letter is sent to employees outlining that their position # has changed.



Pilot project to be conducted!

#### BENEFITS



- ✓ Addresses privacy issues within the organization
- ✓ Each employee is linked to a position within the right organization
- ✓ System reflects current reporting relationships
- ✓ Access to relevant staff information for supervisors

#### RISKS



- ☐ DM to use her delegation to create 1,000+ positions
- ☐ Zero risk to the employee (i.e., pay, classification, conditions of employment, effective date of employment, etc...)
- ☐ No validation of duties, therefore potentially creating structural / classification issues (e.g., group, level, official language and security requirements).
- ☐ No addressing validity of job descriptions at this point (e.g., employees with invalid job descriptions will continue to have invalid job descriptions)

Issue: Approximately 2500-4000 employees/positions have bypassed the classification function

## Classification Renewal Strategy

Issue: 89% of DFO/Coast Guard positions have not been reviewed in the last 5 years (compared to 54% in the CPA)

### 2. Classification Renewal Through Organizational Re-design (Project Duration: 5 years)

#### THE PLAN

**Organizational Re-design**      **Expedited Classification Service**



- **"Split the sectors into waves and provide full organizational design service"**
  - HR to provide end-to-end, org. design, job description writing, classification and change management service to each wave.
- As the focus will be on the waves, all organization in future waves will have access to expedited classification service.
- **Increased flexibility in classification services** will be provided and the use of **deputy delegated positions will be leveraged where needed**

#### HOW?



- DM decide on wave 1 sectors informed by established criteria
- Update the HR sub-delegation model.
- Increased presence of management on classification committees.
- New organizational structures are confirmed and appropriately classified.

#### BENEFITS



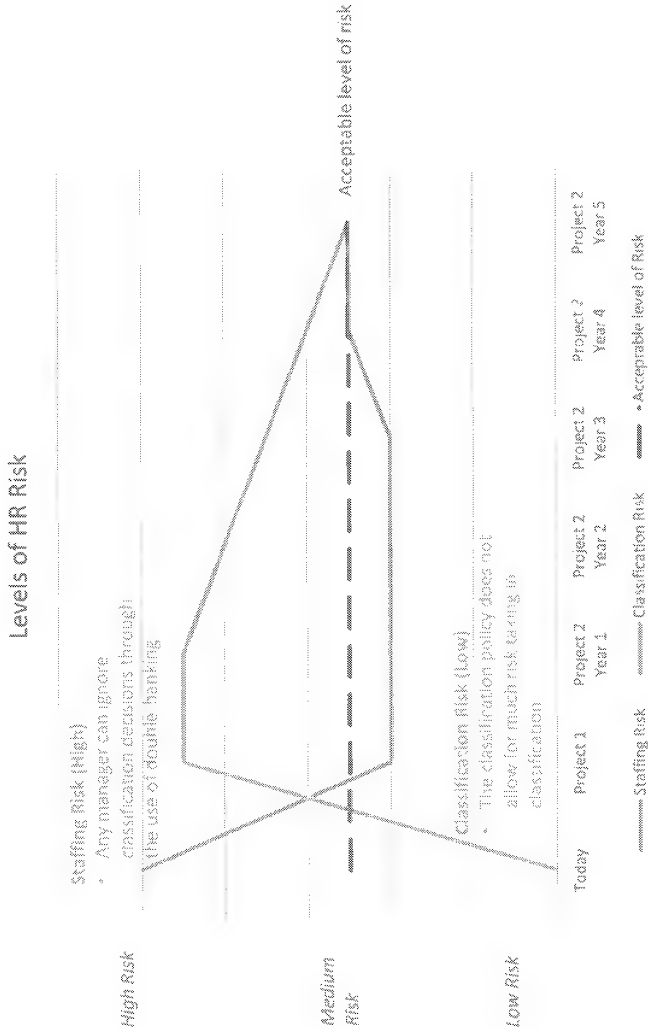
- ✓ Equal pay for equal work
- ✓ Organizational structures are maximized to attain results
- ✓ Business efficiency through an accessible bank of standardized job descriptions / models
- ✓ Strengthened functional delivery model

#### RISKS



- There will be financial implications when the level is raised (e.g., retroactivity)
- Impact on employees if the level of the position is lower (mitigated with measures to protect incumbents)
- We may identify structural issues with our organizational design / governance

Classification Renewal Strategy



The principle behind the Classification Renewal Strategy is to manage overall HR risks in a more controlled fashion.

Classification Renewal is reducing overall HR risk taking by reducing the level of risks relative to staffing while taking more risk with regards to classification.

In the status quo, managers are taking risks in an ad hoc manner. Classification renewal allows for informed, controlled and calculated risk taking.

Lastly, it is about building a strong classification function/foundation, so that the level of risk required is acceptable.

Risks with moving forward with Classification Renewal Strategy

**Risks with Moving Forward on Classification Renewal**

- Creation of a high number of deputy-delegated positions that are not shareable for relativity and must be reported to OCHRO through annual monitoring exercise (mitigated through reporting through OCHRO biannual monitoring)
- Impact on employees once position is appropriately classified (mitigated with measures to protect incumbents)
- Increased flexibility is overused and makes the problem worse (mitigated with the creation governance mechanism to manage classification risks).

- OCHRO has been consulted and understands our context and approach to corrective action
- The Deputy Minister is responsible for all classification activities and decisions made in their organization

- Employees that are impacted by reclassification are salary protected at their group and level (until they are offered a reasonable job offer at level or vacate their position)

- Flexibilities are turned-off once an organization has been "right-sized"

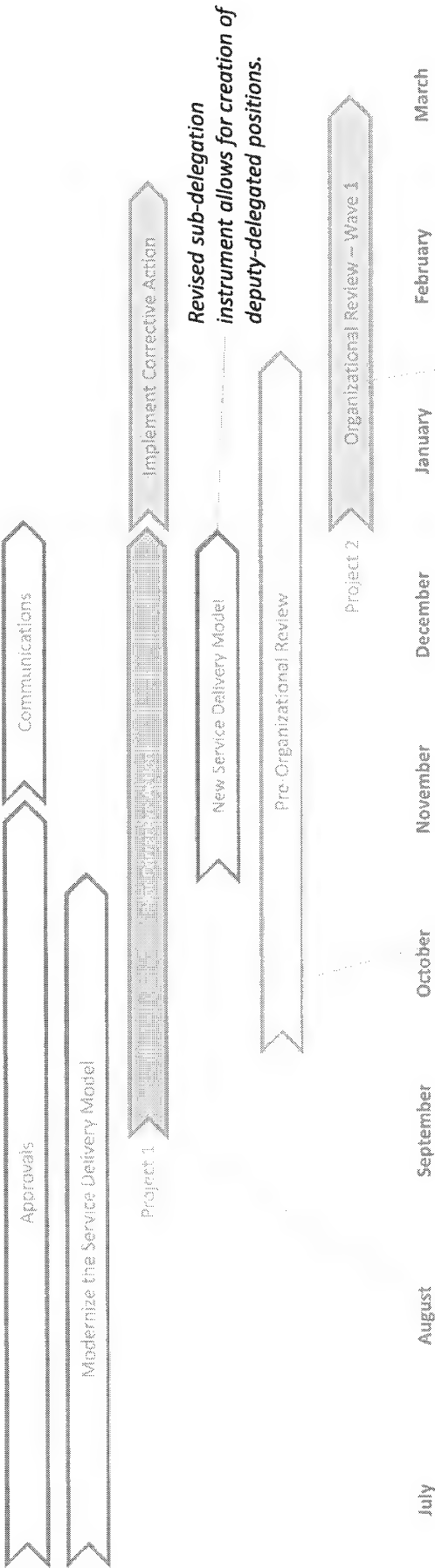
# Strategy Roadmap



Classification Renewal 11  
@ DFO / Coast Guard



Setting up for Success



Deputy-delegated decisions are used to provide all double-banked incumbents with their own box in the right organization.

- Development of foundational tools for organizational review:
- Administrative Services Review
  - Functional Authority Model
  - Enabling Services Model

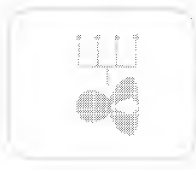
The first wave of Organizational Reviews are expected to take 12 months. Every subsequent wave is expedited exponentially as previous models/job descriptions can be used.

Classification Renewal @ DFO / Coast Guard 12

## Project 1 - Deputy-Delegated Position Creation

FY 2018-19

*Corrective Action*

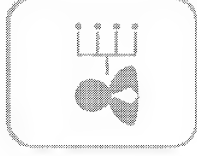


**Pilot / Proof of Concept**

**Creation of deputy-delegated positions in 2-3 specific areas so that existing employees have a position at their substantive group and level.**

**Recommendation:**

- Indigenous Affairs
- Ops Personnel (Coast Guard)
- Marine Superintendents (Coast Guard)

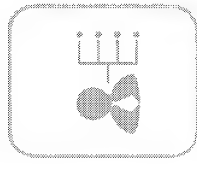


**When an existing classification solution is not readily available to support a government growth initiative or an immediate business need, the below governance will be applied to create deputy-delegated positions:**

**Low Risk**

- When classification advisors agree with management proposed group and level.
- *Proposed sub-delegation: Head of HR.*

*DM Decision Point*



**Creation of deputy-delegated positions in all areas so that all existing employees have a position at their substantive group and level.**

*By regularizing existing staff, the organization will not be taking any additional classification or financial risk while resolving existing labour relations, privacy and pay issues.*

- When classification advisors agree with the proposed group, but not the level.
- *Proposed sub-delegation: ADM, HR and Corporate Services.*

**High Risk**

- When classification does not agree with the group or it is contentious.
- *Proposed delegation: DM on the advice of the Department's HR Committee.*

**Classification Renewal**  
© DFO / Coast Guard 13

Project 2 - Splitting the Organization in Waves

The organization is chunked out into waves based on the following criteria:

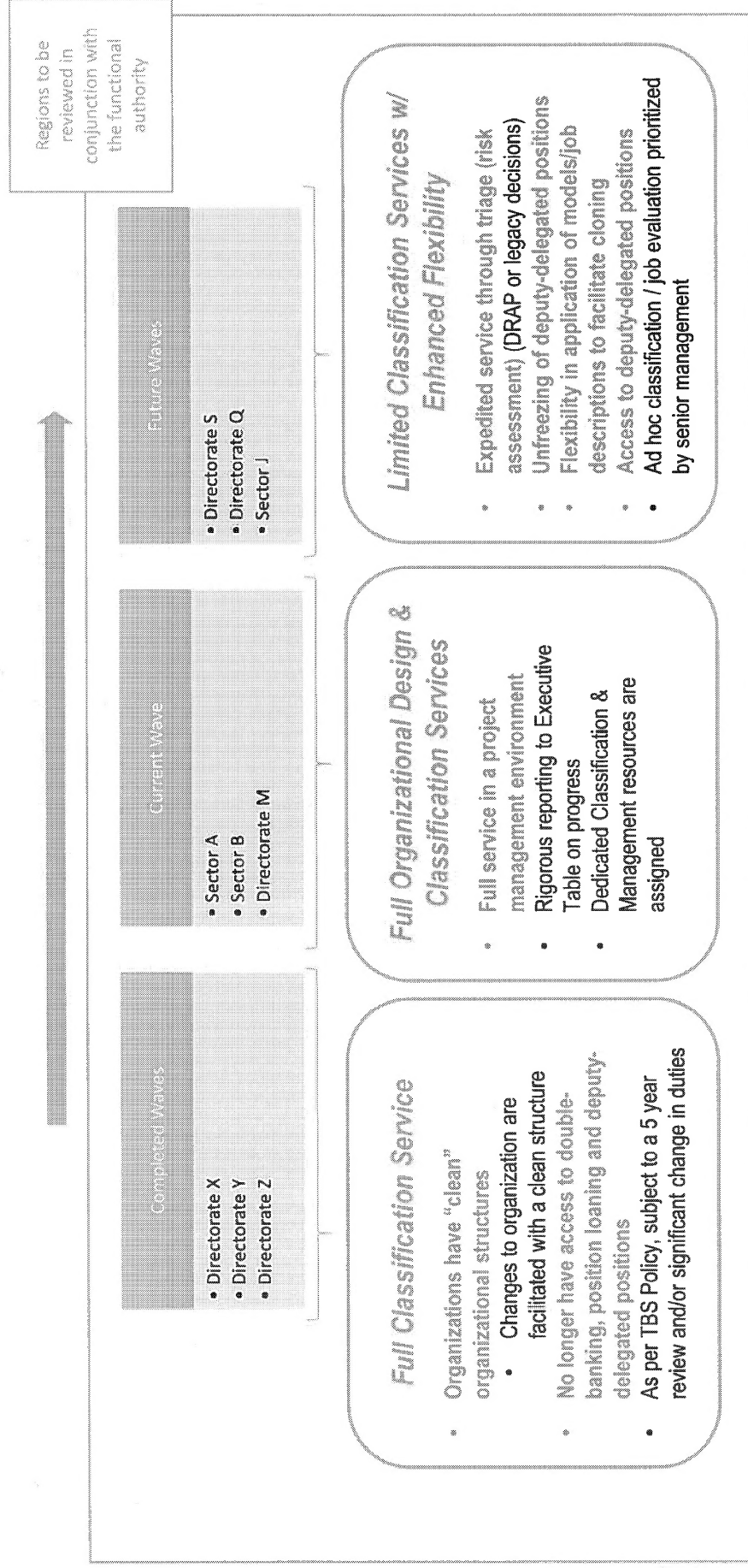
Classification, OCHRO and TBS Drivers	Business Drivers
<ul style="list-style-type: none"><li>• PA Conversion (AS, CR, PM, etc...)</li><li>• IT Conversion (CS)</li><li>• # Deputy-delegated positions</li><li>• # of Legacy Issues</li><li>• # of relativity / contentious issues</li><li>• Cyclical review</li><li>• Results of monitoring exercise</li></ul>	<ul style="list-style-type: none"><li>• Budget 2017</li><li>• Budget 2018</li><li>• CR / OPP</li><li>• Parliamentary / Central Agency Commitments</li><li>• GOC priorities</li><li>• Operational priorities</li></ul>

Wave 1 <ul style="list-style-type: none"><li>• Sector A</li><li>• Sector B</li><li>• Directorate M</li></ul>	Wave 2 <ul style="list-style-type: none"><li>• Directorate G</li><li>• Directorate F</li></ul>	Wave 3 <ul style="list-style-type: none"><li>• Sector D</li><li>• Directorate E</li></ul>	Wave 4 <ul style="list-style-type: none"><li>• Directorate S</li><li>• Directorate Q</li><li>• Sector J</li></ul>	Wave 5 <ul style="list-style-type: none"><li>• Directorate S</li><li>• Directorate Q</li><li>• Sector J</li></ul>
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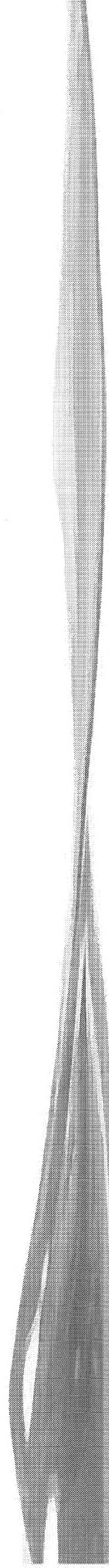


DM to make final decision

## Classification Service per Wave



## Next Steps



## Next Steps

### Project 1 - Correcting Reporting Relationships in PeopleSoft (Project Duration: 5-6 months)

- Brief the bargaining agents on overall approach to this project
- Pilot with 3 areas of Department: (1) Indigenous Affairs; (2) Ops Personnel (Coast Guard); and, (3) Marine Superintendents (Coast Guard)
- Receive DM approval for use of delegated classification authority
- Decision on full-implementation.

### Project 2 - Classification Renewal Through Organizational Re-design (Project Duration: 5 years)

- Determine priority sectors within DFO / Coast Guard
- Provide full organizational design support and change management to selected organizations.
- Provide an expedited classification service to other sectors

### Strengthen the overall classification function

- Develop a bank of standardized job descriptions
- Expedite low risk, administrative actions
- Transfer manager sub-delegation for classification actions to non-accredited HR professionals
- Increased flexibility of job description and models



## Classification Renewal Pilot Breakdown by Sector

### **Aboriginal Affairs:**

Number of employees: 108

Number of current positions: 41

Required changes of reporting relationship: 16

Required DM delegated positions: 24

### **Operational Personnel:**

Number of employees: 48

Number of current positions: 29

Required changes of reporting relationship: 6

Required DM delegated positions: 34

### **Marine Superintendents**

TBD